

III. REMARKS

Claims 1-21 have been presented for prosecution. Claim 16 has been objected to for an informality and claim 18 is rejected under 35 USC 112, second paragraph. Applicants have herein amended claims 16 and 18 to address these issues. No new matter is believed added.

Claims 1-21 are rejected under 35 USC 102(e) as being anticipated by Radha et al. ("Radha"), US 6,292,512. Applicants respectfully traverse this rejection because Radha fails to teach each and every feature of the claimed invention. For instance, claim 1 recites:

"a system for determining a *priority* for each of a plurality of streams of encoded video data; and

a system for assigning a variable modulation rate to each stream of encoded video data *based on the determined priority.*"

The Office Action alleges that these features are taught in Figures 2 and 6 of Radha. However, a careful reading of Radha reveals that there is no teaching or even suggestion of, *inter alia*: (1) determining a priority of each stream; and (2) assigning a variable modulation rate to each stream based on the priority.

Radha encodes the base layer (BL) based on the bandwidth of the receiver, not based on a determined priority of the stream (see, column 6, lines 23-27). "BL encoder 44 compresses the video data at a **predetermined** bit-rate R_{BL} ...based on a current bandwidth of the receiver" (Emphasis added.) This is in contrast to the current invention, where the rate is based on a determined priority of the stream itself. There is simply no teaching of examining the BL stream to determine a priority.

Likewise, a priority is not determined for each of the encoded enhancement layers, i.e., residual images 51, nor is a modulation rate assigned to each of the residual images based on a

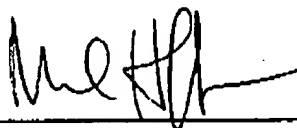
priority. Radha clearly teaches that residual images 51 are all encoded at the same exact rate, namely, $R_{MAX} - R_{BL}$ (see column 7, lines 40-41). Thus, Radha teaches assigning the base layer a first bit-rate R_{BL} based on the channel conditions, and assigning each of the residual images a second bit-rate $R_{MAX} - R_{BL}$ based on the difference between the maximum bit-rate and the base layer bit rate. Neither is assigned based on a determined priority of the stream.

Moreover, the real-time scalable video rate controller 55 of Radha does not assign a variable modulation rate to each stream of encoded video data, as suggested in the Office Action. In fact, it does not assign bit-rates to any of the streams. The bit-rate of each stream is already assigned by the time they reach the controller 55. Instead, controller 55 fills the bandwidth by including the base layer and as many residual images as possible (see column 8, lines 19-21), which is clearly distinct from what is claimed in the present invention. For these reasons, Applicants submit that each of the independent claims (which include features similar to those recited in claim 1) are not anticipated by Radha, and are therefore in condition for allowance.

The dependent claims are believed to be allowable based on the above arguments, as well as for their own additional features. For instance, Radha's teachings are limited to processing base layer and enhanced layer frames. Radha does not teach or suggest using its technique for different frame types such as I and P frames (claims 5 and 6), motion and frame texture information (claim 7) and header and non-header information (claim 8). Moreover, Applicants submit that many of the arguments presented for claims 2-21 are not proper under 102(e). For instance, the Office Action appears to be combining the teachings of Radha with the MPEG/MPEG-4 specification. Such a combination is clearly outside the purview of 102(e).

Applicants respectfully submit that the application is in condition for allowance. Should the Examiner believe that anything further is necessary to place the application in better condition for allowance, the Examiner is requested to contact Applicants' undersigned attorney at the telephone number listed below.

Respectfully submitted,



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